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# ***FORECLOSURE SALE 6 UNIT GROUP HOME IN AUGUSTA, GEORGIA***

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## ***LYNNDAL GROUP HOMES***

Is offered for sale at foreclosure.

Bids will be accepted orally on: November 15, 2006  
at 11:00 am local time

at: Richmond County Courthouse  
(Main Entrance)  
530 Greene Street  
Augusta, GA 30903



U. S. Department of Housing and  
Urban Development

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## ATTACHMENTS

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> <b>ATTACHMENT A</b> - Property at a Glance  | <input checked="" type="checkbox"/> <b>ATTACHMENT D</b> - Letter of Credit (LoC) Sample           |
| <input checked="" type="checkbox"/> <b>ATTACHMENT B</b> - Terms and Requirements of Foreclosure Sale - Acknowledgment by Bidder | <input type="checkbox"/> <b>ATTACHMENT E</b> – Repair Summary and narrative                       |
| <input checked="" type="checkbox"/> <b>ATTACHMENT C</b> - Foreclosure Use Agreement   | <input type="checkbox"/> <b>ATTACHMENT F</b> – Environmental Information                          |
|   | <input checked="" type="checkbox"/> <b>ATTACHMENT G</b> – Certification of Substantial Compliance |

## PROCEDURES AND FORMS REQUIRED TO COMPLETE BID AND PURCHASE

### New Procedure Requirements – Previous Participation Certification

HUD's Active Partners Performance System (APPS) allows for the electronic submission of **Previous Participation Certification Form HUD-2530** on HUD's Secure Systems Internet site. Registration to use HUD's APPS and Secure Systems is a two-step process. All potential bidders registering for the first time in APPS should do so at least two weeks prior to the sale. Be advised that after registration in these systems, it takes approximately two weeks to receive the User/Coordinator ID. It is suggested that potential bidders register in these systems prior to the sale date. Please note that registration is not mandatory in order to bid at the foreclosure sales. However, bidders must comply with registration and 2530 requirements as outlined in ATTACHMENT B, TERMS AND REQUIREMENTS OF FORECLOSURE SALE. For more information see Section 1 – Introduction and General Information, Section 2 – Previous Participation Certification and Section 4 – Submission of Post Bid Documents.

**THESE FORMS ARE AVAILABLE AT [http://www.hudclips.org/sub\\_nonhud/html/forms.htm](http://www.hudclips.org/sub_nonhud/html/forms.htm)**  
**OR CLICK ON THE URL BELOW TO OBTAIN THE FORM**

<input type="checkbox"/>	Personal Financial and Credit Statement (Form HUD-92417) for each proposed principal and/or partner <a href="http://www.hudclips.org/sub_nonhud/html/pdfforms/92417.pdf">http://www.hudclips.org/sub_nonhud/html/pdfforms/92417.pdf</a>
<input type="checkbox"/>	Affirmative Fair Housing Marketing Plan (Form HUD-935.2) <a href="http://www.hudclips.org/sub_nonhud/html/pdfforms/935-2.pdf">http://www.hudclips.org/sub_nonhud/html/pdfforms/935-2.pdf</a>
<input type="checkbox"/>	Management Entity Profile (Form HUD-9832) <a href="http://www.hudclips.org/sub_nonhud/html/pdfforms/9832.pdf">http://www.hudclips.org/sub_nonhud/html/pdfforms/9832.pdf</a>
<input type="checkbox"/>	Management Certification for Multifamily Housing Projects (Form HUD-9839 A) <a href="http://www.hudclips.org/sub_nonhud/html/pdfforms/9839-a.pdf">http://www.hudclips.org/sub_nonhud/html/pdfforms/9839-a.pdf</a>
<input type="checkbox"/>	Management Certification for Multifamily Housing Projects (Form HUD-9839 B) <a href="http://www.hudclips.org/sub_nonhud/html/pdfforms/9839-b.pdf">http://www.hudclips.org/sub_nonhud/html/pdfforms/9839-b.pdf</a>
<input type="checkbox"/>	Project Owner's/Borrower's Certification (Form HUD-9839 C) - For elderly housing projects managed by Administrators only <a href="http://www.hudclips.org/sub_nonhud/html/pdfforms/9839-c.pdf">http://www.hudclips.org/sub_nonhud/html/pdfforms/9839-c.pdf</a>

## SECTION 1 - INTRODUCTION AND GENERAL INFORMATION

1. **DEFINITION OF INVITATION FOR BID** - This document, including attachments, exhibits, and any amendment thereto, constitute the Invitation for Bid (Invitation) for **Lynndale Group Homes**, FHA Number; **061-EH123**. PROPERTY AT A GLANCE, Attachment A to this Invitation, contains a summary of facts, figures, and most terms of the sale. This Invitation also includes **information concerning Previous Participation Certification (Form HUD-2530) requirements** and a list of the forms necessary to complete a responsive bid.
2. **BID RESPONSIVENESS** - A bid must be responsive to the terms of the sale. To be considered for award, a bid must comply in all material respects with this Invitation. Each bid on its face shall be firm, unconditional, responsive, fixed in one amount certain, and not in the alternative. Special conditions, alterations, or deletions will render a bid non-responsive. The terms of the foreclosure sale are those set out in the Invitation for Bid, especially the Terms and Requirements of Foreclosure Sale - Acknowledgment by Bidder (Acknowledgment) and Foreclosure Sale Use Agreement. Lack of earnest money deposit, as required by this Invitation, will be cause for bid rejection.
3. **SALE TO HIGHEST QUALIFIED BIDDER** - Sale of this project will be made to the highest responsive, qualified Bidder.
4. **NO REDEMPTION PERIOD** - This sale is not subject to redemption by the previous owner.
5. **BID ACCEPTANCE OR REJECTION** - HUD reserves the right to reject any and all bids, to waive any informality in any bid received, and to reject the bid of any Bidder HUD determines lacks the experience, ability or financial responsibility needed to own and manage the project.
6. **CANCELLATION OF SALE** - HUD reserves the right to cancel this Invitation for Bid and/or reject any and all bids.
7. **BIDDER'S DUE DILIGENCE** - Bidders are encouraged to perform their own due diligence to gain a full understanding of the project and the conditions of sale before submitting a bid.
8. **POST-CLOSING REQUIRED REPAIRS** - Repair requirements that must be completed after closing, if applicable to this sale, are included in the Form HUD-9552, Post-Closing Repair Requirements, and Exhibits, Attachment E, to this Invitation. The repair requirements listed in Attachment E survive the sale and will be recorded with the Deed. **NOTE:** the Form HUD-9552 and exhibits reflect **cost estimates** of the required repairs.  
**While care has been exercised to assure accuracy, all information provided is solely for the purpose of permitting parties to determine whether or not the property is of such type and general character as might interest them in its purchase, and HUD makes no warranty as to the accuracy of such information. The failure of any Bidder to inspect, or be fully informed as to the condition of all or any portion of the property being offered, or condition of sale, will not constitute grounds for any claim, demand, adjustment, or withdrawal of a bid.**
9. **RECORDATION OF CERTAIN DOCUMENTS** - Attachment E, Post Closing Repair Requirements (Form HUD-9552) and attachments, if provided herein, and Attachment C, Foreclosure Use Agreement with riders, will be recorded with the Deed.
10. **SOURCE FOR ADDITIONAL INFORMATION** - Should you need further information, please call the contact person indicated in the Property at a Glance.

## SECTION 2 –PRE-FORECLOSURE SALE REQUIREMENTS AND PROCEDURES

**PREVIOUS PARTICIPATION FOR PARTICIPANTS IN THE MULTIFAMILY PROGRAMS- New Procedure Requirements** - Participants in Multifamily foreclosure sales, either as purchasers or management agents are required to register in HUD's Active Partners Performance System (APPS) which allows for the electronic submission of Previous Participation Certification Form HUD-2530 on HUD's Secure Systems Internet site.

**Registration is not mandatory in order to bid at the foreclosure sale. However, it is suggested that all potential bidders registering for the first time in APPS do so at least two weeks prior to the sale. For instructions on registering in the APPS and HUD's Secure System click on the following link:**

<http://www.hud.gov/offices/hsg/mfh/pd/genbkits.cfm>

Be advised, that if a Management Agent will be participating in the management of the property, or if you are changing principals, adding principals, changing the name, or changing tax identification, it is the high Bidder's responsibility to ensure that all participants register and complete the 2530 process within the prescribed timeframes.

**Failure to FOLLOW THE PROCEDURE FOR 2530 SUBMISSION or submit other required documents within the indicated time frame may be grounds for rejection of the bid.**

## SECTION 3 - FORECLOSURE SALE PROCEDURES AND SUBMISSION OF BIDS

1. **GENERAL** - In order to submit a responsive bid to this Invitation, a Bidder must submit the items indicated in this Section. All the required forms are listed.
2. **BIDDING AT THE FORECLOSURE SALE** -
  - (a) The foreclosure sale is an oral, open bid sale that takes place at the date, time and place indicated in the attached Property at a Glance.
  - (b) The Bidder must either:
    - (i) State a bid price orally at the sale, **or**
    - (ii) Submit a written bid to the person that conducts the sale two (2) business days before the date of sale.

Written bids, if received, will be read aloud at the sale before oral bids are accepted. Only the person that submitted the written bid, or an agent thereof may raise a written bid price. Please call the contact person indicated in the Property at a Glance for details regarding submitting a written bid.

### 3. **ITEMS THAT MUST BE SUBMITTED AT THE FORECLOSURE SALE**

- (a) Acknowledgment - Immediately after the foreclosure sale has been completed, the high Bidder must submit **ONE** signed copy of the Terms and Requirements of Foreclosure Sale - Acknowledgment by Bidder to the person that conducts the foreclosure sale.
- (b) Earnest Money Deposit
  - (i) The earnest money deposit, for not less than the amount specified in the Property at a Glance, must be submitted prior to presenting an oral or written bid.
  - (ii) The deposit must be in the form of a money order, certified, cashier's or other banker's check payable to: **THE SECRETARY, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**
  - (iii) No other method of payment for the earnest money deposit is acceptable
  - (iv) A financial organization submitting a bid on its own behalf must have the earnest money deposit drawn on a separate financial organization.
  - (v) Lack of proper deposit will be cause for rejection of the bid by HUD.
  - (vi) Immediately following the sale, earnest money will be returned to those whose bids have been rejected.

4. **CORRECTIONS** – Any changes or erasures made to a written bid may be made by the Bidder only and must be initialed.

5. **TELEGRAPHIC OR FACSIMILE BIDS** – Telegraphic or facsimile bids and/or bid modifications will not be considered for award.

6. **VERBAL NOTIFICATION TO THE HIGH AND SECOND HIGH BIDDER** – The high and second high Bidder will be notified verbally of their bidding positions by the person that conducts the foreclosure sale immediately after the foreclosure sale is completed.

7. **REJECTION OF LOWER BIDS** – All bids other than the high bid will be rejected verbally at the foreclosure sale by the person that conducts the foreclosure sale.

### **SECTION 4 – POST FORECLOSURE SALE PROCEDURES**

1. **CONTINUATION OF OFFERS** - The high bid shall be deemed to be a continuing offer from the time of the foreclosure sale until closing or bid rejection by HUD. The second high bid shall be deemed to be a continuing offer until execution of the Foreclosure Sale Use Agreement or until thirty (30) days after the foreclosure sale, whichever occurs first, unless HUD and the second high Bidder mutually agree to extend the offer. After the above activities have occurred, or the extension agreement has ended, the bid will be deemed to have expired.

#### 2. **SUBMISSION OF POST-BID DOCUMENTS**

##### ➤ **TWO (2) DAYS AFTER FORECLOSURE SALE –**

- a. **Bidders not registered in APPS and Secure Systems:** The high Bidder must register in the **Active Partners Performance System (APPS)** which allows for the electronic submission of Previous Participation Certification (form HUD-2530) **and** the HUD's Multifamily Secure Systems **not later than two (2)** Federal Government working days after being verbally notified at the foreclosure sale of being the high Bidder. Please refer to SECTION 2, PREVIOUS PARTICIPATION above for instructions.
- b. **Bidders previously registered in APPS and Secure Systems:** The high Bidder must enter the APPS system and print a copy of the Participant Detail page. That copy must be faxed to the Realty Specialist at (404) 730-2440.
- c. **Certification of Substantial Compliance** – the **complete and original** (Attachment G) must be received in the Atlanta HUD office within two (2) days of the foreclosure sale date.

##### ➤ **TEN (10) DAYS AFTER FORECLOSURE SALE** - Not later than ten (10) Federal Government working days after being verbally notified at the foreclosure sale of being the high Bidder, the Bidder must, if checked below, submit additional information to the contact person listed in the Property at a Glance.

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li><input type="checkbox"/> Affirmative Fair Housing Marketing Plan (Form HUD 935.2)</li> <li><input checked="" type="checkbox"/> Form HUD- 2530 for Purchasing Entity, if different from bidding entity, <b>See Section 2 for procedure</b></li> <li><input type="checkbox"/> Form HUD- 2530 for the Managing Agent, if Applicable, <b>See Section 2 for procedure</b></li> <li><input type="checkbox"/> Personal Financial and Credit Statement (Form HUD 92417) - For each proposed principal and/or general partner</li> <li><input type="checkbox"/> Management Entity Profile (Form HUD 9832)</li> <li><input type="checkbox"/> Management Certification (Form HUD 9839 A &amp; B)</li> <li><input type="checkbox"/> Project Owner's/Borrower's Certification (Form HUD 9839 C) - For elderly housing projects managed by Administrators only</li> </ul> | <ul style="list-style-type: none"> <li><input type="checkbox"/> Bidders Property Management Statement<br/>The Bidder must complete and submit written statements of how the purchaser will:               <ul style="list-style-type: none"> <li>(i) Satisfy the condition of the disposition;</li> <li>(ii) Implement a sound financial and physical management program;</li> <li>(iii) Respond to the needs of the tenants and work cooperatively with resident organizations; and</li> <li>(iv) Provide adequate organizational staff and resources to the project.</li> </ul> </li> <li><input type="checkbox"/> Statement of the services, maintenance and utilities that the bidder proposed to provide.</li> </ul> |
|--|---|

- **FIFTEEN (15) DAYS AFTER FORECLOSURE SALE** - The high Bidder (owning entity) must electronically file the 2530 within 15 days of the foreclosure sale and fax a printed copy of the 2530 Submission Package to the HUD Office at (404) 730-2440. Please refer to SECTION 2, PREVIOUS PARTICIPATION above for instructions.

**FAILURE TO SUBMIT THE REQUIRED DOCUMENTS WITHIN THE INDICATED TIME FRAME MAY BE GROUNDS FOR REJECTION OF THE BID.**

**3. QUALIFICATION, ACCEPTANCE, REJECTION OF BID**

- (a) HUD will review the high Bidder to determine if qualified to purchase the project.
- (i) If HUD approves the high Bidder as being qualified, the high Bidder will be confirmed as and identified as the Purchaser.
- (ii) If the high bid is rejected due to HUD's determination that the high Bidder is not qualified to purchase the project, HUD will notify the high Bidder in writing.
- (b) If HUD rejects the high Bidder, the second high Bidder will be given twenty-four (24) hours to submit the earnest money deposit and will be reviewed to determine if qualified to purchase the project.
- (i) If HUD approves the second high Bidder as being qualified, second high Bidder will be confirmed as and identified as the Purchaser.
- (ii) If the second high bid is rejected due to HUD's determination that the second high Bidder is not qualified to purchase the project, HUD will notify the second high Bidder in writing.
- (c) HUD's notification of rejection due to lack of qualifications, if applicable, shall be deemed to be given when mailed to the individual indicated in the Terms and Requirements of Foreclosure Sale - Acknowledgment by Bidder.
- (d) The written rejection of the bid will be made as promptly as possible and generally within thirty (30) days after the date of the foreclosure sale.

**4. HANDLING OF THE EARNEST MONEY DEPOSIT**

- (a) The earnest money deposit of the high Bidder will be held until HUD determines the high bid/Bidder to be acceptable. If HUD does not accept the high bid, the high Bidder's earnest money will be refunded.
- (b) Interest will not be paid on earnest money deposits.

5. **REVIEW OF PROJECT MANAGEMENT** - HUD may elect to discuss project management plans after submission of the post-bid documents by the high Bidder.

6. **CLOSING DATE REQUIREMENT** - The closing date will take place within the time period specified, in accordance with the Acknowledgment, Attachment B.

7. **EXTENSION OF CLOSING** - The right to extend the sales closing is expressly reserved by HUD as set forth in the Acknowledgment, Attachment B.

**SECTION 5 - CLOSING**

1. **EXECUTION OF USE AGREEMENT** - The Bidder must execute Attachment C, "Foreclosure Sale Use Agreement," at closing. HUD will then execute the Agreement.
2. **CLOSING DATE AND PLACE** - The closing date and place shall be as determined by the person that conducts the foreclosure sale and/or HUD. The Bidder will be notified of said date and place by the person conducting the foreclosure sale.
3. **CASH DUE AT CLOSING** - Cash due at closing is the remainder of the purchase price less the earnest money deposit received, plus or minus any prorations. Cash due at closing includes all initial deposits to reserve accounts, if applicable.
4. **PRORATIONS** - There will be no prorations except for the proration of property taxes prepaid by HUD, if any. High bidder is responsible for paying all outstanding property taxes and utility bills including, but not limited to, water/sewer, gas, electric, etc., as well as any other liens/assessments encumbering the property not extinguished by the foreclosure sale action.
5. **CLOSING EXPENSES** - Irrespective of local custom, the Bidder shall pay all closing expenses, including, but not limited to, all documentary stamp taxes, all recording fees, and any costs in connection with a review of title or title insurance as may be requested by the Bidder.
6. **METHOD OF PAYMENT** - Cash due at closing shall be paid in the form of a money order, certified, cashier's or other bank check made payable to: **THE SECRETARY, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**, in accordance with the Acknowledgment, Attachment B.
7. **LETTER OF CREDIT** - If Post-Closing Repair Requirements described in Attachment E are included in this sale, the Bidder, at closing, shall provide HUD with an unconditional, irrevocable, and nondocumentary Letter of Credit (LoC), or a group of no more than five (5) LoCs, in the amount stated in the Property at a Glance. Such LoCs shall expire no earlier than six (6) months after completion of the stated required repairs. HUD will release the undrawn balance in the LoCs six (6) months after completion of repairs. Such undrawn balance shall be of an amount equal to ten percent (10%) of the original total of the repair estimate.

8. **CONVEYANCE** - Conveyance of the project shall be by Special Warranty Deed from the person that conducts the foreclosure sale. The deed will not contain any warranty of title.
9. **RECORDATION OF DEED** – HUD shall record the Deed and all other recordable documents. All recordation costs shall be at the expense of HUD.
10. **DOCUMENTS TO BE FURNISHED OR EXECUTED AT CLOSING**
- ☒ Foreclosure Sale Use Agreement      ☒ Letter(s) of Credit      ☒ Closing Statement
- ☐ Other:

#### SECTION 6 - DISCLAIMERS

1. **DISCLAIMER**
- (a) Bidders interested in purchasing this project are expected to acquaint themselves with the property, and to arrive at their own conclusions as to; physical condition, number and occupancy of revenue producing units, estimates of operating costs, repair costs (where applicable), and any other factors bearing upon valuation of the property. Any bid submitted shall be deemed to have been made with full knowledge of all the terms, conditions and requirements contained in this Invitation for Bid and in any Addendum hereof.
- (b) While care has been exercised to assure accuracy, all information provided is solely for the purpose of permitting parties to determine whether or not the property is of such type and general character as might interest them in its purchase, and HUD makes no warranty as to the accuracy of such information. The failure of any Bidder to inspect, or be fully informed as to the condition of all or any portion of the property being offered, or condition of sale, will not constitute ground for any claim or demand or adjustment or withdrawal of a bid.
2. **UNAUTHORIZED ORAL STATEMENT OR MODIFICATIONS** - Any oral statement or representation by any representative of HUD changing or supplementing this Invitation for Bid or Addendum hereof, or any condition hereof, is unauthorized and shall confer no right upon the Bidder (Purchaser).
3. **HUD LIABILITY** - In any case, with respect to any claim against HUD, the extreme measure of HUD's liability shall not, in any event, exceed refund of the purchase price, or such portion thereof as HUD may have received.



# Property at a Glance



## LYNNDALE GROUP HOMES

FHA #: 061-EH123

ADDRESS: 3000 Myrtle Drive  
Augusta, GA 30909  
COUNTY: Richmond

EARNEST MONEY: \$20,000  
LETTER OF CREDIT: \$120,000

SALES PRICE: Unstated Minimum  
TERMS: All Cash/30 day closing  
SALE TYPE: Foreclosure

### PROPERTY INFORMATION

Total Units			Foundation:	Concrete
Residential			Roof:	Shingle
Commercial			Exterior:	T-111 Siding
6	Revenue 6	0	Floors/Finish:	Concrete/Carpet, Bathrooms - Tile
Non-Revenue 0				

Elevator	Garden	Walk-up	Townhouse	Scattered Sites	Service Center	Mobile Home Park	Nursing Home	Vacant Land	Other:
									Group Home

Number of Buildings	Stories	Year Built	Rehab Year	Site Acreage	Approximate Net Rentable Area
1	1	1983			

### Mechanical Systems

Heating:	Air Conditioning
Fuel Gas	Central
System Central	Screens
Hot Water:	
Fuel Gas	
System Central	

### Utilities

Public Water	X
Gas Main	X
Electric	X
Sanitary Sewer	X
Storm Sewer	
Septic Tank	

### Parking

Street	Asphalt
Curb	Concrete
Sidewalk	Concrete
Parking Lot	Asphalt
Parking Spaces	

### Apartment Features

	Air Conditioning
	Dishwasher
	Microwave
	Garbage Disposal
X	Refrigerator
X	Range/Oven
	Drapes/Blinds

### Community Features

	Garage
	Covered Parking
X	Laundry Facility
	Cable/Sat Hookup
	Playground
	Pool
	Community Space

### Owner Expense

Water
Gas
Range
Kitchen/Bath Exhaust Fan
Refuse Removal

### Tenant Expense


### OCCUPANCY

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2006			V	A	C	A	N	T				
2005			V	A	C	A	N	T				

### ESTIMATED ANNUAL RENTAL INCOME:

Number of Units	Type	Approx Square Feet	Current Rent	Estimated /Possible After Sale Rent	Estimated /Possible Total After Sale Rent	Total Estimated/Possible Annual Income
						Rent
						Commercial
						Parking
						TOTAL
						Estimated Annual Expenses
						Administrative
						Utilities
						Operating
						Taxes/Insurance
						Reserve/Replace
						TOTAL
TOTAL MONTHLY						

### COMMENTS CONCERNING PROPERTY INFORMATION:

This property is vacant and will be sold "as-is" with no use restrictions.

Due diligence should be performed in advance of submitting a bid. While care has been exercised to ensure accuracy, all information provided is solely for the purpose of permitting parties to determine whether or not the property is of such type and general character as to interest them in its purchase. HUD makes no warranty as to the accuracy of such information.

## TERMS OF SALE

The purchaser must complete the repairs to applicable State and local codes within 12 months after closing. Closing is to be held 30 days after HUD accepts the bid. If HUD authorizes an extension of the closing, the purchaser must pay a fee which is the greater of 1.5% of the purchase price or HUD's holding costs of \$19.46 per unit per day for each 30 day period.

The purchaser must certify to HUD that any projects that are owned by the purchaser or its affiliates and are located in the same jurisdiction as Lynndale Group Homes are in substantial compliance with applicable State and/or local housing status, regulations, ordinances and codes. HUD may, in its discretion, verify the accuracy of such certification and request supporting documentation from the high bidder. If HUD determines at its sole discretion that such other projects are not in substantial compliance, HUD will have the right to refuse to sell the project to the high bidder and retain the Earnest Money Deposit (See Attachment G).

Participants in Multifamily foreclosure sales, either as purchasers or management agents are required to register in HUD's Active Partners Performance System (APPS) which allows for the electronic submission of Previous Participation Certification Form HUD-2530 on HUD's Secure Systems Internet site. **Registration is not mandatory in order to bid at the foreclosure sale.**

**However, it is suggested that all potential bidders registering for the first time in APPS do so at least two weeks prior to the sale. For instructions on registering in the APPS and HUD's Secure System click on the following link:**

<http://www.hud.gov/offices/hsg/mfh/pd/genbkits.cfm>

Be advised, that if a Management Agent will be participating in the management of the property, or if you are changing principals, adding principals, changing the name, or changing tax identification, it is the high Bidder's responsibility to ensure that all participants register and complete the 2530 process within the prescribed timeframes.

**Two Days following Foreclosure Sale:** The high Bidder must submit **within two** (2) Federal Government working days of the foreclosure sale, certification to HUD that the Bidder has registered in APPS and Secure Systems. This certification can be in the form of a copy of the Participant Successfully Registered page from the APPS system **and** a copy of the Multifamily Coordinator and User Registration page from Secure Systems **or** a copy of the Participant Detail page (see APPS User Guide-Industry, Chapter 15, pages 15-2 through 15-4 for printing instructions). The high Bidder is also responsible for submitting any changes necessary for principals, tax ID, and ownership in the APPS system.

**Fifteen Days following Foreclosure Sale:** The high Bidder must submit within fifteen (15) Federal Government working days of the foreclosure sale, certification to HUD that the Bidder (owning entity) has completed the 2530 submission process in APPS. This certification must be in the form of a printed copy of the 2530 Submission Package (see APPS User Guide-Industry, Chapter 15, pages 15-2 through 15-4).

**For questions about APPS contact the Multifamily Housing Systems Help Desk at 1-800-767-7588.**

**PROSPECTIVE BIDDERS SHOULD READ AND THOROUGHLY UNDERSTAND ALL INFORMATION PROVIDED HEREIN AND IN THE BID KIT PRIOR TO SUBMITTING A BID.**

**This is an "All Cash – As Is" sale.** HUD is providing no financing for this sale. The purchaser must provide for payment of the full purchase price in cash at closing.

**Submission of Bids:** Bids for this property can only be considered for acceptance if submitted on the specific forms listed in the Bid Kit for this property, along with required earnest money. A Bid Kit may be obtained as indicated below.

**Suspended or Debarred Parties:** No consideration will be given to a bid submitted by any party currently suspended or debarred from participating in HUD programs. AS PROVIDED FOR IN 24 CFR, SEC. 27, THE DEFAULTING MORTGAGOR, OR ANY PRINCIPAL, SUCCESSOR, AFFILIATE, OR ASSIGNEE ON THE MORTGAGE AT THE TIME OF DEFAULT SHALL NOT BE ELIGIBLE TO BID ON OR OTHERWISE PURCHASE THIS PROPERTY. (Principal and Affiliate are defined at 24 CFR 24.105.)

### INSPECTION OF PROPERTY AND BIDDING INSTRUCTIONS

Prospective bidders are urged and invited to inspect the property prior to submitting a bid. Note: If this is a foreclosure sale, HUD may not have access to the property. Bids for this property can only be considered if properly submitted by following the bidding instructions provided in the FREE INFORMATION and BID KIT.

The FREE INFORMATION and BID KIT may be viewed or printed at <http://www.hud.gov/offices/hsg/mfh/pd/multifam.cfm>

You may also sign up for our electronic mailing list at this web address. If you do not have access to the internet or can not download a PDF file, you may obtain a bid kit by calling (719) 550-9291, or faxing (719) 550-1622, or by email to:

"usa0567@kinkos.com" <mailto:usa0567@kinkos.com>

### BIDS for **Lynndale Group Homes**

**MUST BE PRESENTED ON:** November 15, 2006

**at:** 11:00 am local time

**at:** Richmond County Courthouse  
(Main Entrance)

530 Greene Street

Augusta, GA 30903

### HUD OFFICE:

Atlanta MFPD Center

Five Points Plaza

40 Marietta St.

Atlanta, GA 30303

### REALTY SPECIALIST:

Melvin R. Johnson

Phone: (404) 331-5001

EXT. 2341

[mailto:melvin\\_r\\_johnson](mailto:melvin_r_johnson)



## ATTACHMENT B

### TERMS AND REQUIREMENTS OF FORECLOSURE SALE - ACKNOWLEDGMENT BY BIDDER

#### PART I

BID PRICE - The Undersigned, \_\_\_\_\_, (the "Bidder") submits a bid of \_\_\_\_\_ dollars (\$) at the foreclosure sale of Lynndale Group Homes (the "Project", the legal description of which is included as Exhibit A of Attachment C, Foreclosure Sale Use Agreement) to be paid as follows:

1. \$20,000 in the form of a money order, cashier's or other bank check, as earnest money, which has been paid at the foreclosure sale to the person that conducts the foreclosure sale, and which shall not earn interest (the "Deposit"), **and**
2. \$ \_\_\_\_\_ the balance, to be paid by the Bidder at Closing, in the form of a cashier's or other bank check in accordance with this Acknowledgment. The Closing will be held at a place, date and time established in accordance with Section 5 below (the "Closing").
3. In addition to the above, the Bidder will be required to pay at closing all closing costs, regardless of local custom, and, where applicable, other deposits to reserve and/or letters of credit as described in Riders incorporated herein, the Invitation for Bid (Invitation), and the Foreclosure Sale Use Agreement (Use Agreement).

#### PART II

If selected as the high Bidder at or after the foreclosure sale, the Bidder, by executing this document (the "Acknowledgment"), acknowledges that the Bidder must comply with the following requirements as a condition to purchasing the Project:

1. **ACKNOWLEDGMENT OF TERMS** - Bidder affirms to have full knowledge of the all terms, conditions and requirements contained in this Acknowledgment and documents referred to herein, the invitation and Attachments, and the Notice of Default and Foreclosure Sale. Bidder must execute this document.
2. **EXECUTION OF USE AGREEMENT** - At Closing, Bidder will, in addition to any other documents, execute the Foreclosure Sale Use Agreement and all of the Exhibits to the Use Agreement as contained in the Invitation to Bid. Such documents will control the use of the Project for a specified period and will be recorded with the Deed and run with the land.
3. **CERTIFICATION OF SUBSTANTIAL COMPLIANCE** - The high bidder must also provide Certification to HUD (**within two days of the foreclosure sale date**) that any other projects that are owned by the high bidder or its affiliates and are located in the same jurisdiction as the project are in substantial compliance with applicable State and/or local housing statutes, regulations, ordinances and codes. HUD may, in its discretion, verify the accuracy of such certification and request supporting documentation from the high bidder. If HUD determines in its sole discretion that such other projects are not in substantial compliance, HUD will have the right to refuse to sell the project to the high bidder and retain the Earnest Money Deposit (See Attachment G).
4. **PREVIOUS PARTICIPATION CERTIFICATION** -
  - (a) **Two Days following Foreclosure Sale:** The high Bidder must submit **within two** (2) Federal Government working days of the foreclosure sale, certification to HUD that the Bidder has registered in APPS and Secure Systems. This certification can be in the form of a copy of the Participant Successfully Registered page from the APPS system **and** a copy of the Multifamily Coordinator and User Registration page from Secure Systems **or** a copy of the Participant Detail page (see APPS User Guide-Industry, Chapter 15, pages 15-2 through 15-4 for printing instructions). The high Bidder is also responsible for submitting any changes necessary for principals, tax ID, and ownership in the APPS system.
  - (b) **Fifteen Days following Foreclosure Sale:** The high Bidder must submit within fifteen (15) Federal Government working days of the foreclosure sale, certification to HUD that the Bidder (owning entity) has completed the 2530 submission process in APPS. This certification must be in the form of a printed copy of the 2530 Submission Package (see APPS User Guide-Industry, Chapter 15, pages 15-2 through 15-4).
5. **ESTABLISHMENT OF CLOSING DATE, TIME AND PLACE**
  - (a) Time is of the essence.
  - (b) HUD will notify the Bidder and the person conducting the foreclosure sale (the "Foreclosure Official") after HUD determines that the Bidder has been approved to purchase this project under the Previous Participation Certification procedure. The Foreclosure Official will establish a time and date for the Closing. The Closing **shall be within thirty (30) days of such notification**, unless extended pursuant to Section 9.
  - (c) The Closing will take place at the HUD office stated in the Invitation or at such other place as may be agreed upon between HUD and the Foreclosure Official.
6. **CLOSING, CLOSING EXPENSES AND TRANSFER OF POSSESSION**
  - (a) The sale shall be effective upon Closing.
  - (b) Bidder (Purchaser) shall pay all closing costs and expenses irrespective of local custom.
  - (c) Transfer of title to and possession of the Property shall become effective as of the Closing.
7. **PAYMENT OF PURCHASE PRICE AT CLOSING** - The Bidder (Purchaser) shall pay the balance at Closing in the form of a cashier's or other bank check made out to:

**THE SECRETARY, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

The Closing will be held at a place, date and time established in accordance with Section 4 above.

Acknowledgment by Bidder

8. LIQUIDATED DAMAGES - Should Bidder fail or refuse to perform all obligations under this Acknowledgement for any reason including, but not limited to, failure to establish the legal entity that is to take title in a timely manner that permits Closing within the deadline set forth in Section 5, the earnest money deposit and any extension fees, paid under Section 9, shall be remitted to and retained by HUD as liquidated damages.
9. EXTENSION FEES – Extensions of time to close the sale are within HUD's sole and absolute discretion. Any extensions, if granted, will be on the following conditions:
  - (a) A written request for an extension must be received at the HUD office located at: Department of Housing and Urban Development, Five Points Plaza, 40 Marietta Street, Atlanta, GA 30303-2186 within **seven (7)** days prior to the prescribed closing date, or within any extension period and **must be accompanied by the payment** of the required extension fee. The request must state the reason for Bidder's inability to close the sale within the initial period or any extended period.
  - (b) Extensions shall be for thirty (30) days.
  - (c) For each thirty (30) day period requested by Bidder and approved by HUD, extension fees shall be equal to **\$19.46**, per unit, per day, (the holding cost for such period) or one and one-half percent (1.5%) of the purchase price, whichever is greater.
  - (d) These fees shall be retained by HUD and shall not be credited to the amount due from Bidder at Closing. However, if Bidder closes prior to the expiration of an extension period, the prorated amount of the extension fee, for the unused portion of the extension period, shall be credited toward the amount due from Bidder at Closing.
  - (e) The granting of one or more extensions shall not obligate HUD to grant additional extensions.
  - (f) If any form or instrument required by HUD is not submitted within sufficient and reasonable time for HUD's review or processing and such delay necessitates an extension of the Closing deadline, an extension fee must be paid for this period.
  - (g) Extension Fees must be submitted by money order, certified, cashier's or other bank check acceptable to HUD.
10. BIDDER RESTRICTIONS
  - (a) No Member of/or Delegate to Congress, resident commissioner, or local elected official, shall be admitted to any share or part of this sale, or to any benefit arising from it. However, this provision does not apply to this sale to the extent that this sale is made with a corporation for the corporation's general benefit.
  - (b) If Bidder is, or becomes suspended, debarred, or temporarily denied from participating in HUD programs prior to closing, this sale shall be terminated. In addition, if such suspension, debarment or temporary denial of participation occurs either before or after Bidder's execution of this Acknowledgment, any extension fees paid under Section 9 shall be retained by HUD as liquidated damages.
  - (c) Pursuant to 24 CFR Part 27 Section 20(f), the defaulting mortgagor, or any principal, successor, affiliate, or assignee thereof, on the multifamily mortgage being foreclosed, shall not be eligible to bid on, or otherwise acquire, the property being foreclosed by the Department under this subpart or any other provision of law. A "principal" and an "affiliate" are defined as provided at 24 CFR 24.105.
11. AS-IS SALE; NO REPRESENTATIONS
  - (a) Bidder shall accept the Property "as is." HUD makes no representations or warranties concerning the physical condition of the Property. In addition, HUD does not represent or warrant the number and occupancy of revenue producing units, or any factor bearing upon the value of the Property.
  - (b) Bidder acknowledges that the purchase price set forth in this Acknowledgment is based on Bidder's evaluation of the project and not upon any representations by HUD. Bidder's failure to inspect, or to be fully informed as to any factor bearing upon the valuation of the Property, shall not affect the liabilities, obligations or duties of HUD, nor be a basis for termination of this sale or for the return of any extension fees paid pursuant to Section 9.
12. RISK OF LOSS AND RIGHTS OF RESCISSION - In the event of any substantial damage to the Project prior to closing by any cause including, but not limited to, fire, flood, earthquake, tornado and significant vandalism other than willful acts or neglect, HUD, in its sole discretion, may negotiate with the Bidder for a reduction in the sales price corresponding to the estimated amount of damages. Such damages shall be added to the Post-Closing repair requirements, HUD Form - 9552 included in the Invitation. If HUD and the Bidder are unable to agree on the amount by which the purchase price should be reduced or on the amendment to the repair requirements, Bidder may withdraw the bid, in which case HUD will direct the return of the earnest money deposit and any extension fee(s) will be returned.
13. PRORATIONS - Except as set forth in paragraph (b) below, there will be no prorations at Closing. The Bidder will be responsible only for those expenses incurred at the Project after Closing, as well as expenses which may be due and payable at the time of closing. *Please note that expenses after closing may be inclusive of prior or unpaid services for utilities, assessments and/or liens which are not extinguished by the foreclosure action. Prospective purchasers are required to determine outstanding expense/assessments/liens as part of their due diligence and take those outstanding expenses into consideration when submitting bids.*
  - (a) At Closing, the Bidder will pay the Foreclosure Official a prorata share of any property taxes on the Project which have been paid for a period of time ending after the date of Closing. The Bidder will be responsible for paying in full, all taxes, that come due after Closing. Taxes paid by the Bidder after Closing will not be prorated, even if those taxes are for a period, which began prior to Closing.
  - (b) No later than fifteen (15) days before Closing, HUD will notify the Bidder of the amount the Bidder is to pay the Foreclosure Official as the prorata share of taxes.

14. SECURITY DEPOSITS - APPLICATION AS CHECKED:

- ☐ Notwithstanding State or local law, the Bidder will receive only those security deposits which are on hand at the Project on the date of Closing. The Bidder will assume all liability under State and local law with respect to security deposits.
- ☐ Any security deposits collected from tenants and paid over to HUD prior to the Closing shall be transferred and assigned to Bidder within fifteen (15) days after the closing, with the exception of security deposits which have been forfeited by the tenant in accordance with the terms of the tenant's lease. Notwithstanding State and local law, no other security deposits collected from tenants will be transferred by HUD to Bidder and HUD has no other liability under State and local law with respect to security deposits. Bidder agrees to assume all responsibility and liability under State and local law with respect to the collection, application and return of security deposits.

15. LIMITATION OF LIABILITY - Notwithstanding any other provisions of this sale, HUD's liability shall not exceed the amount of funds paid by Bidder to HUD and/or the Foreclosure Official hereunder.

16. ANTI-COLLUSION CERTIFICATION

(a) The Bidder certifies:

- (i) The bid price in this offer has been arrived at independently, without (for the purposes of restricting competition) any consultation, communication, or agreement with any other Bidder relating to:
  - a. the bid price;
  - b. the intention to submit a bid price; **or**
  - c. the methods or factors used in calculating the bid price offered;
- (ii) The bid price in this offer has not been and will not be knowingly disclosed by the Bidder, directly or indirectly, to any other Bidder or competitor before or during the actual time of the bid event, unless otherwise required by law; **and**
- (iii) No attempt has been made or will be made by the Bidder to induce any other Bidder to submit or not to submit a bid price for the purpose of restricting competition.

(b) If the bid procedure requires or permits written bids, each signature on the offer is considered to be certification by the signatory that the signatory:

- (i) Is the person in the Bidder's organization responsible for determining the bid price being offered in this bid and that the signatory has not participated and will not participate in any action contrary to paragraph (a) above; **or**
- (ii) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to paragraph (a), above;

Name \_\_\_\_\_

Title \_\_\_\_\_

Organization responsible

for determining bid price \_\_\_\_\_

- a. As an authorized agent, does certify that the principals named in the above have not participated, and will not participate, in any action contrary to paragraph (a) above; and
- b. As agent, has not personally participated, and will not participate, in any action contrary to paragraph (a) above.

17. FAILURE TO COMPLY - Upon the failure or refusal of the Bidder to comply with any of the requirements listed above, HUD may declare the Bidder ineligible to purchase the Project, in which case Bidder shall forfeit the earnest money deposit and any extension fees paid.

18. SEVERABILITY - If for any reason one or more of the provisions contained in the Invitation, including this Acknowledgment, the Use Agreement, or any other attachments or exhibits thereto, shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision(s) of the Invitation, but the Invitation shall be construed as if such invalid, illegal or unenforceable provision(s) had never been included therein.

19. FORMS - All forms and instruments referred to in this Acknowledgment are the standard Form HUD and instruments prepared by HUD and used by HUD in the jurisdiction in which the Property is located and shall contain such additional covenants and conditions required by the Invitation for Bid or Request for Proposals.

20. EXECUTION

- (a) By signature below, Bidder indicates acknowledgment of and agreement to the terms and requirements of this foreclosure sale.
- (b) In the case of a bid submitted by an agent or representative of the Bidder, the signatory attests to be duly authorized to submit the bid on behalf of the Bidder and to execute this Acknowledgment.

**WARNING:** It is a crime to knowingly make false statements to the United States in this document or any other document related to this sale. Penalties upon conviction can include a fine or imprisonment. For details see: Title 18 U.S. Code, Section 1001 and Section 1010.

Executed by the Bidder on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Witness: \_\_\_\_\_

By: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Typed Name: \_\_\_\_\_

\_\_\_\_\_  
Address:

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Phone No. with Area Code:

FORECLOSURE SALE USE AGREEMENT

The Bidder acknowledges the receipt of a copy of the Foreclosure Sale Use Agreement applicable to this project's sale and the inclusion of the following Riders in that Agreement:

- ☐ Nondiscrimination against Multifamily Section 8 Certificate Holders and Voucher Holders
- ☐ Affordability of Units
- ☐ Two-Year Rent Protection for Pre-Existing Very Low-Income Tenants
- ☐ Post-Closing Repair [Demolition] Escrow Requirements
- ☒ Post-Closing Repair to Local Codes and/or Demolition Escrow Requirements
- ☐ Relocation
- ☐ Relocation [NURSING HOMES, BOARD AND CARE FACILITIES and/or ASSISTED LIVING FACILITIES (ALF)]
- ☐ Asbestos Hazards
- ☐ Lead-Based Paint Hazards
- ☐ Existing Hazardous Substances-Demolition Activities
- ☐ Historic Preservation
- ☐ Mobile Home Parks
- ☐ Retirement Service Centers
- ☐ Project-Based Section 8 Assistance

The Foreclosure Sale Use Agreement, with the above noted Riders, is to be incorporated into and recorded as part of the Deed.

Bidder acknowledges that this Rider is incorporated into and is a part of the Terms and Requirements of Foreclosure Sale - Acknowledgment by Bidder

Bidder \_\_\_\_\_

**ATTACHMENT C**  
**FORECLOSURE SALE USE AGREEMENT**

This Agreement is entered into by \_\_\_\_\_ ("Purchaser") and the Secretary of Housing and Urban Development ("Secretary" or "HUD").

WHEREAS, pursuant to the provisions of the Multifamily Mortgage Foreclosure Act, 12 U.S.C. Sections 3701 et seq. (the "Act"), and the Department of Housing and Urban Development's regulations thereunder at 24 C.F.R. Part 27, the Secretary has elected to exercise the nonjudicial power of sale provided under the Act, or pursuant to a judicial foreclosure the Secretary has elected to apply Section 367(b) of the Act, with respect to Lynndale Group Homes, HUD Project No. 061-EH123, (the "Project" or the "Property") a legal description of which is attached as Exhibit "A"; **and**

WHEREAS, pursuant to the Act and to provisions of 12 U.S.C. Section 1701z-11 et seq., Management and Preservation of HUD-Owned Multifamily Housing Projects, and the Department of Housing and Urban Development regulations thereunder at 24 CFR Part 290, the Secretary has authority to impose certain use restrictions, as set forth in this Agreement, on the property subject to a mortgage held by the Secretary that is sold at foreclosure to a purchaser other than HUD; **and**

WHEREAS, by Deed executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, the Project has been conveyed to the Purchaser; **and**

NOW THEREFORE, in consideration of the mutual promises set forth herein and in further consideration of the sale of the Project to the Purchaser, the parties agree as follows:

1. **TERM OF AGREEMENT** - This Agreement shall be in effect,  
☐ twenty years from the date ☒ Until twelve (12) months or repaired to State and local codes and/or of this Agreement **or** demolished.
2. **CONVEYANCE OF PROJECT**  
This paragraph ☐ **is** ☒ **is not** applicable for this property  
During the term of this Agreement, any conveyance of the project must have prior written approval of HUD. HUD's approval of conveyance and/or the proposed purchaser's management of the property will be based on information provided in written statements of how the purchaser, or any subsequent purchaser, in consideration of any and all existing use restrictions, will:  
(a) implement sound financial and physical management program;  
(b) respond to the needs of the tenants and work cooperatively with resident organizations;  
(c) provide adequate organizational staff and resources to manage the project.
3. **SUBJECT TO EXAMINATION** - The Project shall at all times,  
(a) be maintained in decent, safe and sanitary condition to the greatest extent possible,  
(b) maintain full occupancy to the greatest extent possible,  
(c) be maintained as rental housing for the term of this Agreement.  
At the request of the Secretary, Purchaser must supply evidence by means of occupancy reports, physical condition reports, reports on operations, or any evidence as requested to ensure that the above requirements are being met.
4. **UNIT NUMBER OR USE CHANGE** - Changes to the use, number, size, or configuration of residential units in the Project; e.g., apartment units, beds in a care facility, from the use as of the date of this Agreement, must receive the written prior approval of HUD.
5. **NON-DISCRIMINATION REQUIREMENTS** - The Purchaser will comply with the provisions of all Federal, State, or local laws prohibiting discrimination in housing.
6. **HAZARD INSURANCE** - Hazard insurance shall be maintained in an amount to ensure that the Purchaser is able to meet the rental housing requirements described in this Agreement.
7. **DESTRUCTION OF PROJECT** - In the event that any or all of the Project is destroyed or damaged by fire or other casualty, the money derived from any insurance on the Project shall be applied to rebuild or replace the property destroyed or damaged, unless the Secretary gives written approval to use insurance proceeds for other purposes.
8. **DEMOLITION OF PROJECT PROPERTY** - The Purchaser will not demolish any part of the Project or withdraw any part of the Project from use (except as temporarily necessary for routine repairs), without the prior written approval of HUD.
9. **REMEDIES FOR NONCOMPLIANCE** - Upon any violation of any provision of this Agreement by the Purchaser, HUD may give written notice thereof to the Purchaser by registered or certified mail, addressed to the address stated in this Agreement, or such other address as subsequently, upon appropriate written notice thereof to the Secretary, may be designated by the Purchaser as its legal business address. If such violation is not corrected to the satisfaction of the Secretary within thirty (30) days after the date such notice is mailed or within such further time as HUD reasonably determines is necessary to correct the violation, without further notice, HUD may declare a default under this Agreement and may apply to any court, State or Federal, for specific performance of this Agreement, for an injunction against any violation of this agreement, for the appointment of a receiver to

take over and operate the Project in accordance with the terms of this Agreement, and/or such other relief as may be appropriate, since the injury to the Secretary arising from a default of the terms of the Agreement would be irreparable and the amount of damage would be difficult to ascertain.

The availability of any remedy under the Agreement shall not preclude the exercise of any other remedy under any provision of the law, nor shall any action taken in the exercise of any remedy be considered a waiver of any other rights or remedies. Failure to exercise any right or remedy shall not construe a waiver of the right to exercise that or any other right or remedy at any time.

10. **SUCCESSORS AND ASSIGNS** - This Agreement is binding upon the Purchaser's heirs, successors and assigns. The Purchaser agrees that if title to the Project is conveyed during the term of this Agreement, the Purchaser will require its purchaser to assume in writing its obligations under this Agreement.
11. **RESTRICTIONS** - No Member of Congress or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of the benefits of the Use Agreement, but this provision shall not be construed to extend to this Use Agreement if the Use Agreement is made with a corporation for its general benefit.
12. **CONTRADICTORY AGREEMENTS** - The Purchaser certifies that it has not, and agrees that it will not, execute any other agreement with provisions contradictory of, or in opposition to, the provisions of this agreement, and that, in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations set forth herein and supersede any other requirements in conflict with this Agreement.
13. **SEPARABILITY** - The invalidity of any provision of this Agreement shall not affect the validity of the remaining provisions hereof.
14. **AMENDMENT** - This Agreement may be amended by the mutual written consent of the parties, except those provisions required by statute.

IN WITNESS WHEREOF:

The Purchaser has executed this Use Agreement in triplicate this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

WITNESS:

\_\_\_\_\_  
\_\_\_\_\_

PURCHASER:

\_\_\_\_\_  
By: Signature  
\_\_\_\_\_  
Typed Name of Purchaser  
\_\_\_\_\_  
Street Address  
\_\_\_\_\_  
City, State, Zip Code

The U.S. Department of Housing and Urban Development (HUD) has executed this Use Agreement in triplicate this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

WITNESS:

\_\_\_\_\_  
\_\_\_\_\_

FOR: THE SECRETARY OF HOUSING  
AND URBAN DEVELOPMENT

BY: \_\_\_\_\_  
\_\_\_\_\_  
Official's Typed Name  
\_\_\_\_\_  
Title

Exhibit A to Attachment C

Legal Description

ALL of that lot or parcel of land, together with improvements thereon, situate, lying and being in the State of Georgia, Richmond County, City of Augusta, consisting of 0.379 acre, located at the corner of Fairview Avenue and Myrtle Drive, as shown upon a plat prepared by Bee son & Pope Consulting Engineers, Inc., dated September 23, 1987. Said plat is recorded in the office of the Clerk of the Superior Court of Richmond County, Georgia. Reference is hereby made to said plat for a more particular description of the metes, bounds and location of said property.

Said property is more particularly described as follows: Proceeding from a point at the intersection of the south right-of-way of Myrtle Drive and the west right-of-way of Fairview Avenue, said point being the POINT OF BEGINNING: thence along the west right-of-way of Fairview Avenue S 37° 13' W for a distance of 100.00 feet to a point; thence N 52° 40' W for a distance of 170.00 feet to a point; thence N 37° 13' E for a distance of 88.73 feet to a point on the south right-of-way of Myrtle Drive; thence along the south right-of-way of Myrtle Drive S 59° 51' 39" E for a distance of 90.02 feet to a point; thence along the south right-of-way of Myrtle Drive S 52° 40' E for a distance of 80.67 feet to a point on the west right-of-way of Fairview Avenue and being the POINT OF BEGINNING. Said property contains 16,496.5 square feet, or 0.379 acres.



RIDER 1 OF 1  
POST-CLOSING REPAIR TO LOCAL CODES and/or DEMOLITION ESCROW REQUIREMENTS

The Use Agreement includes the following provisions:

1. Purchaser covenants to repair the property to meet applicable local codes and/or to demolish the property in accordance with state and local codes within twelve (12) months of Closing. To ensure completion, the Purchaser shall provide to HUD, at Closing, an unconditional, irrevocable and non-documentary Letter of Credit (LOC) in the amount of \$120,000, with an expiration date at least six (6) months beyond HUD's estimated date for completion of repairs and/or demolition. In the event an extension for completion of repairs and/or demolition is granted, the LOC will be extended accordingly. HUD may cash the LOC and apply the funds to correct latent defects in the completed repairs and/or demolition if the Purchaser is unable or unwilling to make such repairs and/or demolition within the six month period, or for such purposes as HUD deems appropriate; or,
2. If the Purchaser fails to complete repairs and/or demolition in accordance with this Agreement, the Secretary will not exercise the remedies as described in paragraph 1 if any lender holding a lien or security interest on the Project:
  - a. Gives written notice to HUD within the period provided for repairs and/or demolition, that it intends to complete the repairs and/or demolition, and
  - b. Completes such repairs and/or demolition within 30 days of the notice or within such longer periods that HUD may approve in writing.
3. If the Purchaser chooses to repair the property, the Purchaser must submit verification from County, State or local building inspectors that repairs meet local code and that they give the site a complete certificate of occupancy for all units. A copy of the certificate of occupancy must be provided to HUD prior to release of the Letter of Credit.

By initialing hereunder, the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

PURCHASER \_\_\_\_

SECRETARY OF HOUSING AND URBAN DEVELOPMENT \_\_\_\_

**ATTACHMENT D**  
**LETTER OF CREDIT (LoC) SAMPLE**

(ISSUING BANK'S LETTERHEAD)

IRREVOCABLE UNCONDITIONAL LETTER OF CREDIT NO. \_\_\_\_\_

\_\_\_\_\_, 20\_\_\_\_

U.S. Department of Housing and Urban Development  
Five Points Plaza, 40 Marietta Street  
Atlanta, GA 30303-2186

Attention: Mr. William H. Melvin, Director  
Atlanta Multifamily Property Disposition Center

Dear Sir:

For the account of \_\_\_\_\_  
(name of account party/customer)

we hereby authorize you to draw on us at sight up to an aggregate amount of U.S. \$ \_\_\_\_\_,  
effective immediately and expiring on \_\_\_\_\_, 20\_\_\_\_\_.

This Letter of Credit is irrevocable and unconditional.

Funds under this Credit are available to you against your sight draft(s) on us, substantially in the form attached as Exhibit A, for all or any part of this Credit.

This Letter of Credit sets forth in full the terms of our obligations to you, and such undertaking shall not in any way be modified or amplified by any agreement in which this letter is referred to or to which this letter of credit relates, and any such reference shall not be deemed to incorporate herein by reference any agreement.

We will promptly honor all drafts in compliance with the terms of this credit if received on or before the expiration date at

\_\_\_\_\_  
(bank's address)

This Credit is governed by the laws of \_\_\_\_\_.

Sincerely,

(Issuing Bank)

By: \_\_\_\_\_

**SAMPLE SIGHT DRAFT**

(HUD LETTERHEAD)

(Name and address of bank) \_\_\_\_\_  
(City, State)

\_\_\_\_\_, 20\_\_\_\_

Pay to the order of the U.S. Department of Housing and Urban Development the sum of  
\$\_\_\_\_\_. This draft is drawn under your Irrevocable Letter of Credit

NO. \_\_\_\_\_.

U.S. Department of Housing and Urban Development

By: \_\_\_\_\_

**ATTACHMENT G**  
Certification of Substantial Compliance

To: United States Department of Housing and Urban Development

From: \_\_\_\_\_ ("High Bidder")

I Certify to HUD that any and all projects that are owned by High Bidder or its affiliates and are located in the same jurisdiction as \_\_\_\_\_ are in substantial compliance with applicable state and/or local housing statutes, regulations, ordinances and codes an are listed on Schedule A attached hereto.

I understand that HUD may, in its discretion, verify the accuracy of this certification and request supporting documentation from High Bidder. It is understood that if HUD determines, in its sole discretion, that such other projects as listed on Schedule A are not in substantial compliance, HUD will have the right to refuse to sell the project to High Bidder.

**WARNING:** It is a crime to knowingly make false statements to the United States in this document or any other document related to this sale. Penalties upon conviction can include a fine or imprisonment. For details see: Title 18 U.S. Code, Section 1001 and Section 1010.

By: \_\_\_\_\_

Name:

\_\_\_\_\_  
Title:

\_\_\_\_\_  
Address:

\_\_\_\_\_  
Telephone Number:

Certification of Substantial Compliance

Schedule A: All projects owned by high bidder or affiliates and are located in the same jurisdiction as the subject property.

1. List each project name	2. List name of principal or affiliate with ownership of project.	3. List project address